

Message Text

UNCLASSIFIED

PAGE 01 DHAHRA 00058 181031Z

ACTION EB-07

INFO OCT-01 AF-08 ARA-10 EUR-12 EA-09 NEA-10 ISO-00 FEA-01

ERDA-07 AID-05 CEA-01 CIAE-00 CIEP-02 COME-00 DODE-00

FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01

PM-04 USIA-15 OES-06 SP-02 SS-15 STR-04 TRSE-00

ACDA-10 PA-02 PRS-01 /156 W

-----181039Z 077193 /15

R 180930Z JAN 77

FM AMCONSUL DHAHRAN

TO SECSTATE WASHDC PRIORITY 5199

INFO AMEMBASSY ABU DHABI

AMEMBASSY DOHA

AMEMBASSY BONN

AMEMBASSY ALGIERS

AMEMBASSY CARACAS

AMEMBASSY PARIS

AMEMBASSY JIDDA

AMEMBASSY JAKARTA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY QUITO

AMEMBASSY ROME

AMEMBASSY MUSCAT

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

USINT BAGHDAD

UNCLAS DHAHRAN 0058

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 DHAHRA 00058 181031Z

E.O. 11652: N/A

TAGS: ENRG, SA

SUBJECT: SAG STATEMENT ON OIL PRICING

1. FOLLOWING SAG MINISTRY OF PETROLEUM
STATEMENT, WHICH WAS OBTAINED

JANUARY 17 BY ARAMCO THROUGH ITS OFFICE IN THE HAGUE, DISCUSSES PRICING OF SAUDICRUDE AND RELATED MATTERS. THE STATEMENT, PREPARED ON OR ABOUT JANUARY 7, SUBSEQUENTLY WAS PUBLISHED BY MIDDLE EAST ECONOMIC SURVEY ON JANUARY 8. REFTEL COMMENTS ON CONTENT OF STATEMENT.

2. BEGIN

QUOTE: THE MINISTER OF PETROLEUM AND MINERAL RESOURCES OF SAUDI ARABIA, SAHIKH AHMAD ZAKI YAMANI, HELD A NUMBER OF MEETINGS WITH REPRESENTATIVES OF ARAMCO AND ITS U.S. SHAREHOLDERS - NAMELY EXXON, TEXACO, SOCAL AND MOBIL - IN LONDON ON 4, 5 AND 6 JANUARY 1977.

3. THE SAUDI MINISTER INFORMED THE COMPANIES OF HIS GOVERNMENT'S POSITION, AFTER THE DOHA OPEC CONFERENCE, ON PRICES AND THE BASES ON WHICH SAUDI ARABIAN OIL WILL BE MARKETING. THESE BASES WILL INCLUDE, INTER ALIA, THE FOLLOWING:

4. THE PRICES FOR SAUDI ARABIAN CRUDES EFFECTIVE 1 JANUARY 1977 ARE: ARABIAN LIGHT, DOLLARS 12.09/BARREL, ARABIAN BERRI, DOLLARS 12.48/BARREL, ARABIAN MEDIUM, DOLLARS 11.69/BARREL, ARABIAN HEAVY, DOLLARS 11.37/BARREL. THE INCREASES RECORDED BY THESE PRICES OVER THE OLD PRICES ARE 5 PER CENT IN THE CASES OF ARABIAN LIGHT AND ARABIAN BERRI, 3.6 PER CENT IN THE CASE OF ARABIAN MEDIUM AND 3 PER CENT IN THE CASE OF ARABIAN HEAVY. THESE PERCENTAGES WERE ARRIVED AT BY APPLYING THE FORMULA PROPOSED

BY ALGERIA IN THE OPEC ECONOMIC COMMISSION BOARD MEETINGS.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 DHAHRA 00058 181031Z

5. ADDITIONAL QUANTITIES OF SAUDI CRUDE OIL WILL BE MADE AVAILABLE AS A RESULT OF THE GOVERNMENT'S DECISION TO INCREASE ITS PRODUCTION. THE COMPANIES HAVE UNDERTAKEN TO MARKET THE ADDITIONAL QUANTITIES TO BE PRODUCED.

6. SAUDI CRUDES WILL BE AVAILABLE FOR EXPORT TO COUNTRIES IN APPROXIMATELY THE SAME PROPORTIONS AS SAUDI CRUDE OIL HAS BEEN EXPORTED TO SUCH COUNTRIES IN THE PAST.

7. THE ADDITIONAL QUANTITIES OF CRUDE OIL MUST ONLY BE MARKETING TO REFINERS/USERS AT THE PRICES SPECIFIED BY THE GOVERNMENT AND NOT THROUGH BROKERS.

8. EACH OFFTAKER COMPANY AND SUBSEQUENT BUYER OF SAUDI CRUDE IS OBLIGATED TO SUBMIT TO THE GOVERNMENT AUDITED REPORTS COVERING ALL SUCH CRUDE MARKETING BY THEM, SPECIFYING PRICES, DESTINATIONS AND TRANSPORTATION COSTS.

9. THE GOVERNMENT OF SAUDI ARABIA, IN ITS DESIRE TO PASS ON THE LOW

PRICES WHICH IT SET FOR ITS OIL TO THE FINAL CONSUMER, SOLICITS
THE COOPERATION OF THE GOVERNMENTS OF THE CONSUMER COUNTRIES IN
CHECKING THROUGH STRICT AUDITING MEASURES THE PRICES AT WHICH
SAUDI CRUDE OIL IS SOLD IN THEIR COUNTRIES AND ENSURING THAT NO
PARTY OTHER THAN THE FINAL CONSUMER BENEFITS FROM THE LOW PRICES.
END QUOTE.
BUSHNELL

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, PETROLEUM, SPEECHES, PRICES
Control Number: n/a
Copy: SINGLE
Sent Date: 18-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977DHAHRA00058
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770018-0238
Format: TEL
From: DHAHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770143/aaaablba.tel
Line Count: 123
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 5b8147d5-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 27-Sep-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3575147
Secure: OPEN
Status: NATIVE
Subject: SAG STATEMENT ON OIL PRICING
TAGS: ENRG, SA, ARAMCO, (YAMANI, AHMAD ZAKI)
To: STATE
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/5b8147d5-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009